

Navigating Beneficial Ownership Information Services

This article provides guidance on Beneficial Ownership Information (BOI) reporting requirements. It is not intended as legal advice and is not binding on the Board.

What Is BOI Reporting and Why Does It Matter?

In recent months, North Carolina CPAs have raised questions about the new [Beneficial Ownership Information \(BOI\) reporting requirements](#), which impact small and medium-sized businesses. As clients seek guidance on how to comply, they are turning to their CPA for help.

The BOI reporting requirements mandate that certain entities disclose information about their beneficial owners. Failure to accurately report this information can lead to significant financial consequences for the business, making it critical for CPAs to understand how to navigate these new obligations effectively.

The Board's Position: Proceed with Caution

The Board encourages CPAs and CPA firms to proceed with caution when considering offering BOI reporting services. It is critical that CPAs and CPA firms manage the risk associated with these types of engagements properly. After consulting with the American Institute of CPAs (AICPA), the Board has concluded that BOI reporting services do not appear to fall under the category of attest services, meaning they are not subject to peer review.

However, CPAs and CPA firms should still approach these services carefully and ensure they are adequately equipped to handle the reporting requirements.

Key Considerations for CPA Firms

- Knowledgeable Staff:** CPA firms must have staff members well-versed in the BOI reporting requirements. Failure to comply with these requirements can result in financial penalties for the reporting entity, so accuracy is paramount.
- Engagement Letters:** To clearly define the scope of services provided, CPA firms should document all engagements related to BOI reporting in a formal engagement letter. This ensures that both the firm and the client are aligned on expectations.
- Timely Updates:** Any changes to ownership must be reported within 30 days. CPA firms should make it clear that clients are responsible for notifying them of any changes in ownership so that timely updates can be made.
- Practice of Law:** There is some concern about whether assisting with BOI reporting could be considered the practice of law. However, determining whether these services fall under the definition of the practice of law is the responsibility of the North Carolina State Bar, not the CPA Board. To date, the Board has not been informed that helping clients with BOI reporting would be considered the practice of law in North Carolina.

Due Diligence and Ongoing Compliance

CPA firms offering BOI reporting assistance should ensure that they perform thorough due diligence when working with clients. [Staying current](#) on evolving BOI regulations is essential to ensure continued compliance.

Questions or Comments?

For further clarification on the BOI reporting process, or if you have specific questions, please contact [David R. Nance, CPA, the Board's Executive Director](#).